GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3008
ANSWERED ON:12.08.2005
SHORTAGE OF CURRENCY NOTES
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that there is huge shortage of currency notes of small denominations and fresh currency notes in the market as well as in banks;

(b) if so, the reasons therefor; and

(c) the steps the Government proposes to take to ensure that fresh notes are available in the banks ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S.PALANIMANICKAM)

(a)&(b): As per information received from the Reserve Bank of India (RBI), no such complaint has been received.

(c): Distribution and retrieval of bank notes are managed by RBI with the help of a network of about 4500 currency chest bank branches. All the other bank branches are linked to these currency chests as part of the supply chain. As per extant directives and guidelines of RBI, currency chest branches are required to verify, process and sort the bank notes received by them both directly and from other branches and ensure that bank notes unfit for further circulation are returned to RBI and good quality bank notes are reissued.